

HOUSE BILL REPORT

HB 2933

As Reported by House Committee On: Appropriations

Title: An act relating to death benefit payments for law enforcement officers' and fire fighters' retirement system, plan 2.

Brief Description: Addressing death benefit payments for law enforcement officers' and fire fighters' retirement system, plan 2.

Sponsors: Representatives P. Sullivan, Curtis, Simpson, Conway, Hinkle, Kenney, Williams, Ericks, Sells, Rodne, McDonald, Kilmer and Green; by request of LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity:

Appropriations: 1/25/06, 1/31/06 [DPS].

Brief Summary of Substitute Bill

- Extends the Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF 2) line-of-duty \$150,000 death benefit to survivors of members and retirees who die as a result of occupational disease arising from employment.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

Survivors of Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF 2) members who die before retirement may be eligible for several benefits from LEOFF 2. If a LEOFF 2 member dies with less than 10 years of service, the beneficiary receives the member's accumulated contributions. The beneficiary of a member with more than 10 years of service

may choose 150 percent of the member's contributions or a monthly benefit calculated as if the member had selected a joint-and-100 percent survivor option and had retired on the date of death.

Additional benefits are available to survivors of LEOFF 2 members who die in the line of duty. Survivors of LEOFF 2 members who die in the line of duty have received a \$150,000 duty-related death benefit payable from their respective retirement plans since 1996. In addition, public safety officers are eligible under the federal Public Safety Officers Benefit Act of 1976 for an inflation-indexed lump-sum death benefit of approximately \$283,000.

The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career. Many members of LEOFF 2 do not participate in Social Security.

A Workers' Compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment. A lump sum benefit may be payable from the Department of Labor and Industries for burial expenses, as well as a monthly benefit of 60 percent of gross wages up to 120 percent of the state's average wage (about \$3,900 for Fiscal Year 2004).

Beginning in 1987, the Legislature enacted presumptions that when certain diseases were contracted by fire fighters they were caused by job-related exposure. For these "occupational diseases," the work-related cause is established for Workers' Compensation benefits purposes. Initially, the occupational disease presumption applied only to respiratory disease, but in 2002 the Legislature expanded the list of occupational diseases for fire fighters to include more conditions, including other exposures to smoke or toxic substances, certain types of cancer, and infectious diseases.

Summary of Substitute Bill:

The survivor of a LEOFF 2 member or retiree who dies as a result of occupational disease arising from employment, as well as from injuries sustained in the course of employment, is eligible to receive a \$150,000 death benefit.

Substitute Bill Compared to Original Bill:

The substitute bill removes the 3 percent annual increase to the death benefit.

Appropriation: None.

Fiscal Note: Requested on January 16, 2006.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: While deaths from occupational illness are less sudden and dramatic than from injuries in the line of duty, they are no less tragic to the families that suffer the loss of a loved one. The Department of Labor and Industries has requested a small technical change that will make the bill work better with the existing occupational illness laws.

Testimony Against: None.

Persons Testifying: Steve Nelsen, Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board; Kelly Fox, Washington State Council of Fire Fighters; and Bill Hanson, Washington Council of Police and Sheriffs.

Persons Signed In To Testify But Not Testifying: None.